

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The Senate continued with the consideration of the bill.

Mr. CONRAD. Mr. President, I am going to begin discussing the amendment that we have been working on, on a bipartisan basis here, for a number of days, awaiting final determination from the Budget Committee on the question of a budget point of order. That is being discussed now by their legal people and the chief of staff of the Budget Committee. While we are awaiting that determination, I would like to take this opportunity to talk about the circumstances we find ourselves in and why the amendment that we have been discussing is needed.

The basic idea is that we have enormous economic distress out across farm country. Certainly, in my own State, we have seen a triple whammy of bad prices, bad weather, and bad policy. The result has been collapsing farm income, and the result of that is thousands of farmers being forced off the land.

This chart shows North Dakota farm incomes being washed away in 1997. According to the Government's own figures, from 1996 to 1997, farm income reported to the Commerce Department, reported by the Labor Department, went down 98 percent in North Dakota from 1996 to 1997. We all know there are many factors here. Low prices are a chief culprit. In addition to that, dramatically reduced production as a result of unusual weather patterns that have led to a massive outbreak of disease, so-called scab, which is really a fungus, which cost us a third of the crop in North Dakota last year.

Let me just say it is not just North Dakota that is affected. USDA has informed us that many States would benefit by such an indemnity payment; that North Dakota, South Dakota, and Minnesota would be key beneficiaries, but so, too, would Texas, Oklahoma, North Carolina, South Carolina, Mississippi, Alabama, and the State of Idaho, and many other States as well. In a few moments I will show a map of the United States and show the States affected.

What is happening is, in addition to all of those things, the so-called Asian flu is costing us our most important export market. And on top of that, our own Government is sanctioning other countries and, as a consequence of those sanctions, removing us from being able to sell into those countries. So the fundamental problem is a dramatic loss of income in many States in the country.

This chart shows that farm income has dropped in a majority of the States. We can see those that are over a 40-percent drop are in red. That is North Dakota, at 98 percent; Missouri, I think their loss is in the 40-percent range. You can see New York, Maryland, Virginia and West Virginia. These States have all suffered very dramatic income declines in the agricultural sector.

In addition to that, in orange are those States that have seen a 20- to 39-percent reduction in farm income: Minnesota, Wisconsin, Illinois, Kentucky, Tennessee, Pennsylvania, Maine and Connecticut are in that category, as well as Washington, Nevada and Utah out West. Those that are in the zero to 19-percent decline: Montana, Idaho, South Dakota, Iowa, Arkansas, Louisiana, Mississippi, Alabama, Georgia, South Carolina, North Carolina, New Jersey, Rhode Island, New Hampshire and Vermont.

Farmers are suffering in silence. It has not gotten a lot of attention, but it is nonetheless real and it is nonetheless urgent. We can see the change in income by major industry from 1996 to 1997. All of these major industries saw increases with one exception—agriculture saw a \$3.4 billion decline. But we saw increases in mining—theirs were modest; in forestry and fishing, in transportation and public utilities, in construction, in wholesale trade, in government services, in retail trade, in finance, insurance and real estate, in manufacturing and services. Services, by the way, saw an enormous increase of over \$100 billion as we move increasingly towards a service economy.

One of the key reasons that we have seen the steep drop in North Dakota and some of the other States is these very unusual weather patterns. In Texas and Oklahoma it is drought. In North Carolina it is hurricanes. In North and South Dakota and Minnesota it is overly wet conditions.

This is a picture of the North Dakota farm country. This picture, if you can see it, shows not the kind of dry landscape one would associate with North Dakota, but one sees water everywhere. We are swamped in North Dakota. When I say farm income has been washed away, that is exactly what has happened. Farmland can't be planted. That which has been planted is drowned out. That which isn't drowned out is suffering from a massive outbreak of disease that has cost a third of the crop last year, to this dreadful scab outbreak.

I wish we could say it was restricted to scab, but in addition to that we have white mold, now, attacking the canola crop. That will affect not only our State but Minnesota, Montana, and South Dakota as well.

These are an extraordinary set of circumstances with which our farmers are dealing, and it is forcing them off the land. We anticipate losing 2,000 farmers in North Dakota this year out of 30,000. The Secretary of Agriculture came to

North Dakota 3 weeks ago and he had a disaster team that briefed him before the meetings. They told him, "You could lose 30 percent of the farmers in North Dakota in the next 2 years"—30 percent. If that is not a disaster, I don't know what is.

It is not just North Dakota, although we are one of the hardest hit, but certainly Minnesota, South Dakota, Montana, and the other States I mentioned, Oklahoma and Texas, all were hard hit by drought, continuing drought; of course Florida with their fires, North Carolina with hurricanes, and we saw other States affected as well.

This is another picture of North Dakota. Again, everywhere you look—water. I was just in the southeastern part of our State, six counties. I met with a young farmer there. He had planted corn twice this year. Both times it drowned out. For mile after mile, we saw land under water, land that is not going to be planted again this year, land that has been not planted for 2 or 3 years. In that particular farmer's case, he had land he hasn't been able to farm for 4 years.

These exceptionally wet conditions in North Dakota, Minnesota, and parts of South Dakota are leading to perfect conditions for the breeding of this fungus disease—scab. That is not only reducing the production—as I indicated, we lost a third of the crop last year—but in addition to that, what you do harvest is then badly discounted when you go to the elevator to sell.

It is this combination of factors that is putting such a crunch on North Dakota agricultural producers. Again, as I say, it is not just our State but other States as well. It is very much related to a collapse in prices, very much related, in addition to that, to what is happening abroad. The collapse of the Asian financial markets is reducing demand for our products. That is where we sell most of our agricultural production. That is the fastest growing market for the United States, in Asia, and they don't have the funds to buy. As a result, we are seeing sharp reductions, sharp restrictions in agricultural exports.

This chart, I think, tells the story very well. It shows a 50-year pattern of spring wheat prices. These are all stated in 1997 dollars so we are comparing apples to apples. You can see we are about at an all-time low at the end of 1997. You see a long-term trendline of wheat prices coming down, but we are now at virtually an all-time low. If you then look at 1998, you see the pattern continuing. By June of this year, we are at a 50-year low for spring wheat prices. Wheat prices in North Dakota are now about \$3.20 a bushel. To put that in some perspective, it costs about \$4.50 to produce wheat, so you have an invitation to lose money if you are planting wheat.

Of course, the upper Great Plains are dominated by wheat production. It is not just wheat. We see exactly the

same pattern with respect to barley. Here is a 50-year trendline of barley prices, and you can see by the end of 1997, we were near a 50-year low.

If you go to this year, you can see what has happened this year—further price collapse—so that we are at a 50-year low. Prices for wheat and barley have not been this low in 50 years. When you then couple that with reduced production because of the massive outbreak of disease, what you have is an income collapse—as I showed in the first chart—an income collapse in my home State of North Dakota.

What does that mean? That means we are seeing record auction sales, as the little house on the prairie is auctioned off. That is what is happening in my State. It is a disaster. It is a calamity and something must be done.

We can debate at great length overall farm policy. We have differences on the question of long-term farm policy. I don't think we have differences on the question of responding to an emergency, and that is what we have. We have an emergency. It is a dire emergency, but we have very little ability to respond to it.

We did away with disaster programs for agriculture during consideration of the last farm bill and actually before that. We decided to do away with disaster programs and use crop insurance. The problem is, crop insurance does not work where you have multiple years of disaster. Even the head of the risk management agency has agreed with that proposition. In testimony before the Senate Agriculture Committee, he made very clear: Crop insurance, as currently constituted, does not work when you have multiple years of disaster.

Unfortunately, all across America, we see multiple years of disaster.

This chart shows where the losses have been most severe. As you can see on the chart, those areas that are in red are the parts of the country that have been hardest hit over the last period of time. You can see, yes, North Dakota and South Dakota and Minnesota hard hit, but we also see Oklahoma and Texas very hard hit and, of course, we go east and North Carolina and Virginia are very hard hit as well.

Interestingly enough, Pennsylvania; that is because they have been hit by tornadoes and have repeated losses as a result. But it is not just those States. You can see South Carolina, Georgia, Alabama, Mississippi—all of those States are badly affected. Go out west and the State of Idaho has been hard hit. This map doesn't reveal it, but there are parts of Montana hard hit as well.

This map doesn't reveal the individuals. This reveals the counties that are hardest hit. We also have many individuals, especially in the State of Montana, who have been hard hit by this same set of unusual conditions: Precipitous drop in prices, coupled with sharp drops in production because of natural disasters, weather disasters of

one kind or another, and combined, they have led to an income collapse for many farmers in many parts of the country.

The question is, How do we respond? The idea has been we wouldn't have disaster programs for agriculture because we are going to use crop insurance. The problem is crop insurance doesn't work where you have multiple years of disaster. Some who are viewing may ask, Why is that? Why wouldn't crop insurance work if you have multiple years of disaster. Nobody knows better than the occupant of the Chair what the problem is. The problem with crop insurance is it is calculated based on your last 5 years of production. If you have 5 years of disaster, your production base erodes, it evaporates, and then you don't get much help from crop insurance. That is the fundamental problem that we have identified.

So how do you address it? What we are recommending is an indemnity program that will help make payments to those farmers who have had multiple years of disaster, who have had a sharp income decline, sharp losses in income so that they can get some assistance to carry over so that they will live to fight another day, so they can get through these depressed times and get on to better times.

Mr. President, we have worked with our colleagues on both sides of the aisle in terms of crafting a program that we think will be of assistance. Before I send that amendment to the desk, we are waiting for an evaluation on which one of the amendments best meets the budget requirements that the U.S. Congress is under. We are hoping for word on that very soon.

To sum up, this is a calamity. This is a disaster. This is an emergency. By the way, the President yesterday said he will support an emergency designation for an answer to what we are seeing across the country. The Secretary of Agriculture indicated he, too, will support an emergency designation, and that is critical so that we don't violate the budget caps.

The chairman of the Agriculture Appropriations Committee, Senator COCHRAN, and the ranking member, Senator BUMPERS, are under very sharp strictures with respect to what they can spend. They have allocations made to them. If we are going beyond that, we have to have an emergency designation. The President has indicated he is willing to make such a designation. I am hopeful that we will find the Budget Committee agrees as well. We are awaiting their word on that matter.

Mr. President, these sharp drops in farm income are certainly not isolated. It is not just North Dakota. The State of Missouri saw a very sharp drop, 72 percent drop there; Maryland, 44 percent drop; New York, 44 percent drop; West Virginia, 44 percent; Virginia, 42 percent; Minnesota, 38 percent; Wisconsin, the same; Nevada, 35 percent; Pennsylvania, a sharp drop, again, be-

cause of natural disasters with what is happening with tornadoes.

We also know that producers, on this map provided by USDA, in North Carolina have been very, very hard hit by a set of hurricanes. Of course, Oklahoma and Texas is burning up with this drought, and so many of their producers are under extreme economic pressure as a result.

I will enter into the RECORD a letter from the President. I will read from it before I send it to the desk. This is a letter sent to Leader DASCHLE yesterday. The President says:

I am very concerned about the financial stress facing farmers and ranchers in many regions of the country. Natural disasters, combined with a downturn in crop prices and farm income, expected by the Department of Agriculture to remain weak for some time, cause me to question again the adequacy of the safety net provided by the 1996 farm bill. In some areas of the U.S., as many as five consecutive years of weather and disease-related disasters have demonstrated weaknesses in the risk protection available through crop insurance.

I think all of us who represent farm country certainly understand that. That is because of the formula. It is going to take us time to fix crop insurance. It is going to take a bipartisan effort to do that, but that takes time. Those of us who serve on the Agriculture Committee understand the complexities of reforming crop insurance. That is not going to happen this year. That is not going to be done in time to help these people who have been hit by repeated years of disaster and for whom the crop insurance system does not work. What we are saying together is we ought to move and fill in the difference, provide some assistance while we are waiting for crop insurance to be fixed.

The President said:

Therefore, I am instructing the Secretary of Agriculture to redouble his efforts to augment the current crop insurance program to more adequately meet farmers' needs to protect against farm income losses. In the interim, to respond to the current unusual situations, I urge the Congress to take emergency action to address specific stresses now afflicting sectors of the farm economy.

He goes on to say:

I agree with the intent of Senator CONRAD's amendment and recommend that funding to address these problems be designated as emergency spending. A supplemental crop insurance program for farmers who experience repeated crop losses, a compensation program for farmers and ranchers whose productive land continues to be under water, and extended authority for the livestock disaster program are examples of the type of emergency actions that could help farmers and ranchers.

Well, amen to that. I certainly thank the President for recognizing the extraordinary economic stress our farmers and ranchers are under.

The President concludes by saying:

I am confident that you and your colleagues share my concern for American farmers and ranchers who are experiencing financial stress from natural disasters and low prices, exacerbated by the global downturn in agricultural trade, and I encourage

the Congress to take emergency action quickly.

Mr. President, I ask unanimous consent that the letter from the President be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, July 15, 1998.

Hon. THOMAS A. DASCHLE,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR MR. LEADER: I am very concerned about the financial stress facing farmers and ranchers in many regions of the country. Natural disasters, combined with a downturn in crop prices and farm income, expected by the Department of Agriculture (USDA) to remain weak for some time, cause me to question again the adequacy of the safety net provided by the 1996 farm bill. In some areas of the U.S., as many as five consecutive years of weather and disease-related disasters have demonstrated weaknesses in the risk protection available through crop insurance.

During the debate on the 1996 farm bill, I encouraged Congress to maintain a sufficient farm safety net, and since its enactment my Administration has repeated that call, proposing measures to buttress the safety net that are consistent with the market-oriented policy of the 1996 farm bill. The 1994 Crop Insurance Reform Act established a policy of improving the crop insurance program in order to remove the need for ad hoc disaster payments. This commitment to crop insurance as the preferred means of managing crop loss risks was reaffirmed in the 1996 farm bill. Farmers have responded to this policy by maintaining their enrollment in crop insurance at very high levels, especially in the Northern Plains states.

Therefore, I am instructing the Secretary of Agriculture to redouble his efforts to augment the current crop insurance program to more adequately meet farmers' needs to protect against farm income losses. In the interim, to respond to the current unusual situations, I urge the Congress to take emergency action to address specific stresses now afflicting sectors of the farm economy.

I agree with the intent of Senator Conrad's amendment and recommend that funding to address these problems be designated as emergency spending. A supplemental crop insurance program for farmers who experience repeated crop losses, a compensation program for farmers and ranchers whose productive land continues to be under water, and extended authority for the livestock disaster program are examples of the type of emergency actions that could help farmers and ranchers.

It is also crucial that the Congress provide the level of funding proposed in my FY 1999 budget in the regular appropriations bills and that the Congress pass the full IMF package to support the efforts of American farmers.

I am confident that you and your colleagues share my concern for American farmers and ranchers who are experiencing financial stress from natural disasters and low prices, exacerbated by the global downturn in agricultural trade, and I encourage the Congress to take emergency action quickly.

Sincerely,

BILL CLINTON.

Mr. CONRAD. Mr. President, I say to my colleagues, I will relinquish the floor at this point and await the word from the Budget Committee. We are expecting it momentarily. So I relinquish

the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. COCHRAN. Will the Senator withhold the request?

Mr. CONRAD. I am happy to.

Mr. COCHRAN. I say to the distinguished Senator from North Dakota, I appreciate very much his going forward and offering this amendment. We have been discussing the amendment and the problems that he identifies as emergency problems because of drought and other problems throughout the agricultural sector. We are very sympathetic to these problems and the need for Congress and the President and the Department of Agriculture to act in a positive way and in an effective way to address these problems and to try to help solve them.

We have been advised there may be a problem with the Budget Act in getting an amendment, as drafted, approved in the Senate without having the amendment subject to a budget point of order. We have discussed this with the chairman of the Budget Committee. And there are other Senators with whom we have discussed the problem as well.

There is a lot of concern on both sides of the aisle that we have a bill for agriculture appropriations that takes into account all of the problems we have in the country, and that we respond in a thoughtful way. We are continuing to work on this issue. I want Senators to know that I hope we get it resolved so we can approve an amendment of some kind to provide relief, such as that sought in the amendment of Senator CONRAD.

But while we await further negotiations on this subject, I agree with the Senator that we probably should suggest the absence of a quorum. Some Senators are away from the Capitol right now who want to be involved in this discussion. I expect we will be able to make progress on it in the early part of the afternoon.

If there are other amendments that can be offered by Senators, we would encourage Senators to come to the floor to offer those amendments. We could set aside this amendment for that purpose to receive other amendments. And some of them may be agreeable. We are willing to work with all Senators. We appreciate the assistance we have had from many today indicating a willingness to reach agreement on proposed changes to the bill. I am hopeful we can complete action on the bill today, and I pledge to Senators that I will work very hard to try to help make that a reality.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HAGEL). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH CARE

Mr. GRAMM. Mr. President, I notice no one is on the floor debating this bill, so I thought I would take the opportunity to say a little bit about health care. I understand our President has come to Capitol Hill today to tell us about how, having rejected his proposal to take over the health care system 4 years ago, we now ought to join the President and Senator KENNEDY in letting the Government tell us how to run that health care system. Obviously, we are always flattered when the President comes to Capitol Hill to talk to us, to tell us about his views.

I want to make a couple of things clear. Yesterday, we offered the Republican alternative. The Republican health care proposal is superior in a lot of ways, but there are several ways that I think are very important. No. 1, we don't preempt States in those areas where they have already acted to deal with problems in providing health care. We differ with the President and with Senator KENNEDY in that we don't believe we know more about the interest of each individual State than their Governor and their State legislature do. What we do in our alternative proposal is deal with the parts of the problem that the Federal Government has jurisdiction over.

I notice the President and some of our colleagues made a big point out of the fact that their bill affects 140 million people, whereas our bill affects a smaller number. Why is that? The reason our bill affects a smaller number is, in those areas where the States have the power to deal with their own medical problems, we don't get involved in telling them how to do it. In those areas where they don't have jurisdiction because of ERISA, then we step in and try to deal with the problem.

We differ with the President on the whole issue of how to deal with the denial of services. The President says we can improve the situation by taking it to court. The President and Senator KENNEDY say it is indispensable that we give people the power to sue. We think there is a better way. We think the better way is setting up an appellate process on an expedited basis, both internal and external, to an HMO so that people can get a resolution. What happens when you take it to court is that it really does not solve the problem that you are trying to deal with. It may, after the fact, put money—most of it in the hands of a lawyer, maybe some of it in the hands of the patient.

I assert that when a mother has a sick baby she wants medical attention for the infant. She doesn't want the ability to go out and hire a lawyer and go to court and 2 years later get a judgment when it is too late to deal with the health care concerns of her baby. We believe we need to get a resolution in 72 hours on those issues rather than